

Three-Year Rolling Plan

We will continue to disclose information on our three-year plan and update it on an annual basis as part of efforts to communicate changes in the business environment to stakeholders. In the three years from FY2026/8 to FY2028/8, we aim for an operating profit margin of 10%, one year earlier than initially planned.

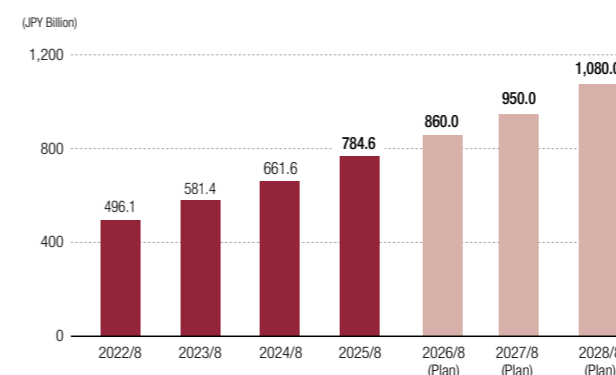
	2022/8	2023/8	2024/8	2025/8	2026/8	2027/8	2028/8	2030
	Results	Results	Results	Results	Plan	Plan	Plan	Our Goals
Operating revenue (JPY Billion)	496.1	581.4	661.6	784.6	860.0	950.0	1,080.0	To be a part of people's daily necessities Stores as community centers Realizing "a Truthful and Sustainable Life for All"
Operating profit (JPY Billion)	32.7	33.1	56.1	73.8	79.0	89.0	108.0	
Operating profit margin (%)	6.6	5.7	8.5	9.4	9.2	9.4	10.0	
Return on assets (ROA) (%)	9.4	8.5	11.6	13.5	13.1	13.6	14.8	
Return on equity (ROE) (%)	10.8	8.7	14.9	16.3	15.1	14.8	15.9	
Number of stores	1,136	1,251	1,364	1,474	We plan an average annual net store increase of 45 in Japan and 70 overseas.			

Three-Year Rolling Plan Summary

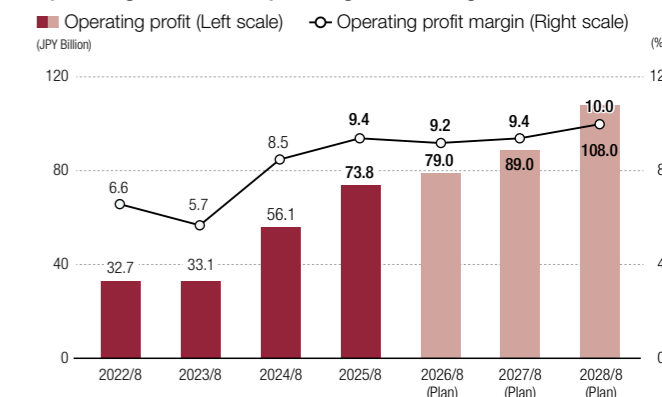
We aim to achieve operating revenue of JPY 1 trillion, operating profit of JPY 100.0 billion and an operating profit margin of 10%.

Category	Direction
1. Gain	<ul style="list-style-type: none"> In FY2028/8, we plan to achieve operating revenue of JPY 1 trillion, realizing growth not only in specific regions but globally. We project an average annual growth rate of 4% for existing stores and e-commerce, with plans for an average annual net store increase of 45 in Japan and 70 overseas. In the Japan Business, we will continue opening new stores while improving profitability. Store sizes will be flexibly adjusted to suit the local market. In the Mainland China Business, we will improve profitability per store and realize the benefits of small-scale renovations. In other businesses in East Asia, we will work to improve profitability per store. In particular, we will expand the scale of operations in the South Korea Business by increasing the number of stores. In the Southeast Asia and Oceania businesses, we will build brand recognition through our flagship stores, while improving revenue and profit at existing stores. In the Europe and North America businesses, we will open a flagship store in Paris in FY2027/8 to drive renewed growth.
2. Reduce	<ul style="list-style-type: none"> We aim for an operating profit margin of 10% in FY2028/8, and will strengthen our earnings structure for further improvement toward 12%. For procurement, which is affected by foreign exchange rates, we will offset the impact by reducing production costs and managing discounts, while steadily improving the gross profit margin. While maintaining the current business structure, we will enhance procurement capabilities and strengthen cost efficiency throughout the Group.
3. Leverage	<ul style="list-style-type: none"> We will expand the functions and foundation of MUJI GLOBAL SOURCING, which is responsible for development and production management, and enhance its product development capabilities. We will build infrastructure for both offensive and defensive capabilities, including logistics and IT. We will invest in talent and create a supportive working environment by strengthening recruitment, global talent deployment and development, as well as by improving compensation.

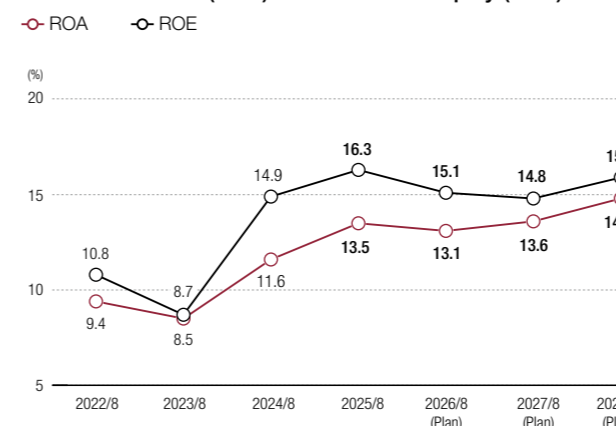
Operating Revenue



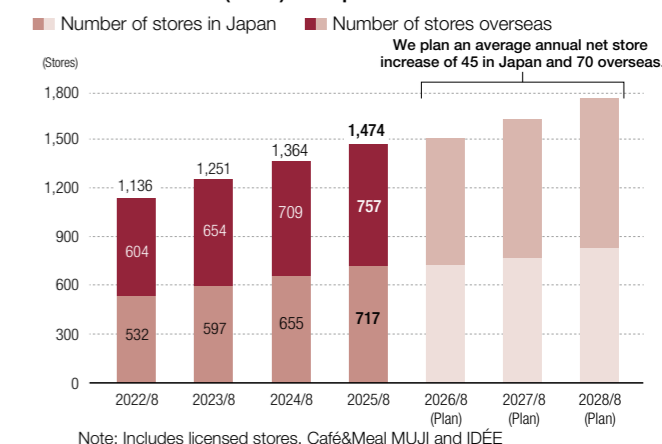
Operating Profit and Operating Profit Margin



Return on Assets (ROA) and Return on Equity (ROE)



Number of Stores (Total) in Japan and Overseas



FY2025/8 Results and Future Outlook

FY2025/8 Results

In FY2025/8, operating revenue was JPY 784.6 billion, up 18.6% year on year, and operating profit was JPY 73.8 billion, up 31.5%, a new record high. This was due to expansion of store openings and steady sales growth at existing stores in Japan and overseas, while the operating profit margin was 9.4%, partly reflecting the impact of foreign exchange rates. In Japan, revenue and profit continued to increase, as in the previous fiscal year. In addition to new store openings, results also reflected successful efforts to strengthen skincare products, daily supplies and consumables, and innerwear, and to improve marketing using social media and apps. We also made improvements in store and inventory management. In overseas operations, the East Asia, Southeast Asia/Oceania and Europe/North America businesses all recorded increases in revenue and profit. In particular, the Mainland China Business performed strongly due to expansion of locally developed products and efforts to strengthen marketing, despite an adverse business environment. Net income attributable to owners of parent was JPY 50.8 billion, partly reflecting tax effects associated with a business restructuring in Europe.

Future Outlook

The three-year rolling plan (FY2025/8 to FY2027/8) announced in November 2024 is progressing approximately one year ahead of schedule, driven by steady performance in both Japan and overseas. In FY2026/8, we expect operating revenue of JPY 860.0 billion, based on projections for stable growth in Japan and growth in all segments overseas. Operating profit is forecast to be JPY 79.0 billion, reaching a new record high for the third consecutive year, driven largely by strong profit contributions from the Japan and East Asia businesses, although the positive impact of foreign exchange rates in the previous fiscal year will be less. The operating profit margin is forecast to be 9.2%, effectively an improvement (excluding the impact of foreign exchange rates in FY2025/8). In the new three-year rolling plan, our target for FY2028/8 is operating revenue of JPY 1,080.0 billion, operating profit of JPY 108.0 billion and an operating profit margin of 10.0%. We aim for sustainable growth in operating revenue and operating profit, with a CAGR exceeding 10%. We will continue working to improve capital efficiency. As a result, we expect to achieve ROE of 15.9% in FY2028/8.

(JPY Billion)	2025/8			2026/8					
	Operating revenue	Operating profit	Operating profit margin	Operating revenue		Operating profit		Operating profit margin	
	Results	Results	Results	Plan	YoY %	Plan	YoY %	Plan	YoY difference
Consolidated	784.6	73.8	9.4%	860.0	+9.6%	79.0	+7.0%	9.2%	-0.2%
Japan Business	470.1	52.1	11.1%	510.0	+8.5%	59.7	+14.6%	11.7%	+0.6%
Overseas Business	314.4	55.3	17.6%	350.0	+11.3%	59.0	+6.7%	16.9%	-0.7%
East Asia Business	222.2	42.7	19.3%	245.5	+10.5%	47.2	+10.3%	19.2%	-0.0%
Southeast Asia/Oceania Businesses	50.1	5.5	11.1%	59.5	+18.8%	6.3	+12.8%	10.6%	-0.6%
Europe/North America Businesses	42.1	6.9	16.4%	45.0	+6.8%	5.5	-20.5%	12.2%	-4.2%
Global SG&A Expenses	—	(33.7)	-4.3%	—	—	(39.6)	+17.4%	-4.6%	-0.3%

Financial Position and Balance Sheet

Total assets as of August 31, 2025 were JPY 562.7 billion, an increase of JPY 53.1 billion from the end of previous fiscal year. This mainly reflected a JPY 9.7 billion increase in cash and deposits due to improvement in cash flow from operating activities, as well as increases of JPY 15.9 billion in inventories and JPY 16.4 billion in property, plant and equipment associated with new store development in Japan and overseas. We managed to keep inventory growth below the rate of sales growth, and inventory turnover improved from 2.26 times to 2.36 times per year. The inventory turnover rate tends to be lower overseas than in Japan. Going forward, however, we will expand the customer base overseas and improve the inventory turnover rate by strengthening our product lineup as well as by offering a fuller range of items that customers prefer. Moreover, software-related expenses also increased by JPY 7.3 billion as a result of IT system investments. Total liabilities were JPY 226.8 billion, an increase of JPY 14.2 billion from the end of previous fiscal year. Net assets increased by JPY 38.9 billion to JPY 335.9 billion. The increase was mainly due to an increase in retained earnings, reflecting stable revenue and an increase in internal reserves in FY2025/8. As a result, the consolidated equity ratio increased by 1.5 points from 57.5% to 59.0%. We have further increased the soundness of our financial position and reinforced the foundation for future growth investments and business development.

Balance Sheet

Assets JPY 562.7 billion	Liabilities JPY 226.8 billion
	Net assets JPY 335.9 billion

Financial Policy

Our financial policy is to utilize our stable cash-generating capability to balance growth investment and shareholder returns. Specifically, we plan to allocate 40% of cash flow from operating activities to store investments such as new openings and existing store renewals in Japan and overseas; 20% to software investment aimed at streamlining operations and improving the customer experience; 20% to the payment of stable, continuous dividends; and the remaining 20% for use as operating capital. This plan enables us to pursue active investment for future growth and stable returns to shareholders, while maintaining financial soundness. Regarding cash flow in FY2025/8, cash flows from operating activities were JPY 73.3 billion, a record high, clearly reflecting improved profitability and an efficient operating structure. By contrast, cash flows from investment activities resulted in a net outflow of JPY 40.9 billion. Cash flows from financing activities resulted in a net outflow of JPY 22.1 billion, as we steadily made growth investments and shareholder returns. We will continue to aggressively pursue further growth opportunities in Japan and overseas, promoting strategic investments for global business expansion. Based on profit growth and our stable cash generation capability, we will efficiently allocate capital with an awareness of the cost of capital, aiming to balance investment for growth and returns to shareholders. Our target for both ROA and ROE is 15% or higher. Looking ahead, we will continue to expand our equity spread by increasing ROE and optimizing the cost of capital, with the goal of sustainably increasing corporate value.

Investment Plan

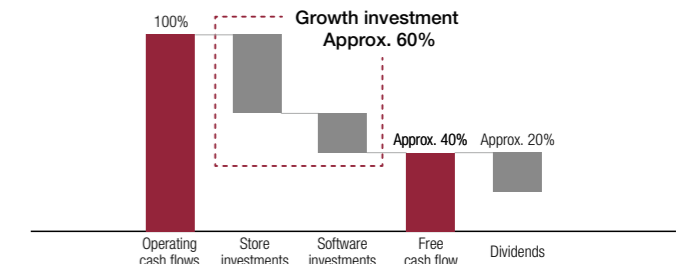
In FY2025/8, store investments were JPY 24.5 billion, on par with the previous fiscal year, reflecting progress with new store openings both in Japan and overseas. Software investments increased by JPY 3.0 billion year on year to JPY 15.0 billion, mainly due to investments for building supply chain infrastructure. Other investments were JPY 1.4 billion, and total capital investments increased by JPY 2.0 billion year on year to JPY 40.9 billion. We will continue to open new stores in Japan and overseas in order to achieve business growth. In particular, we will move forward with store openings overseas, with plans to open flagship stores in Europe and North America. We will also continue to invest in business infrastructure, such as software and logistics, to ensure sustainable revenue. In FY2026/8, we plan to make capital investments of JPY 40.7 billion, on par with the previous fiscal year. This will include store investments of JPY 24.0 billion, software investments of JPY 12.0 billion and other investments of JPY 4.6 billion in areas such as logistics centers and the renewable energy business.

Shareholder Returns*

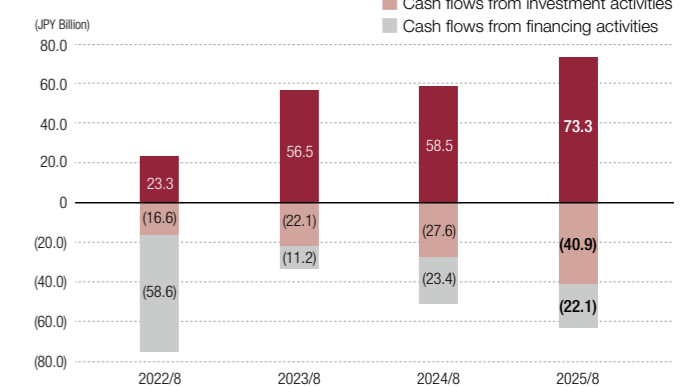
We regard the sustainable enhancement of corporate value and stable, continuous returns to shareholders as important management issues. We are returning profits to shareholders based on a target dividend payout ratio of 30%, while considering the balance of earnings, financial position and investments for future growth. Based on this policy, we plan to pay a dividend of JPY 25 per share for FY2025/8, an increase of JPY 5 from the previous fiscal year. We plan to further increase dividends by JPY 3 to JPY 28 for FY2026/8. We will continue enhancing returns to shareholders while aiming to ensure the sustainable growth of the Company and increase capital efficiency.

* We conducted a 2-for-1 stock split of common shares on September 1, 2025. The figures here are based on the number of shares after the stock split.

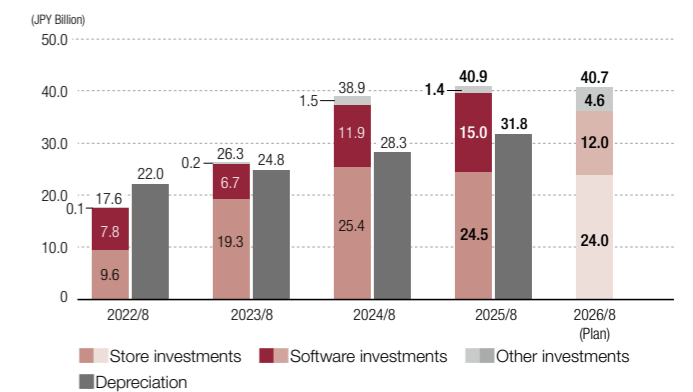
Capital Allocation Plan



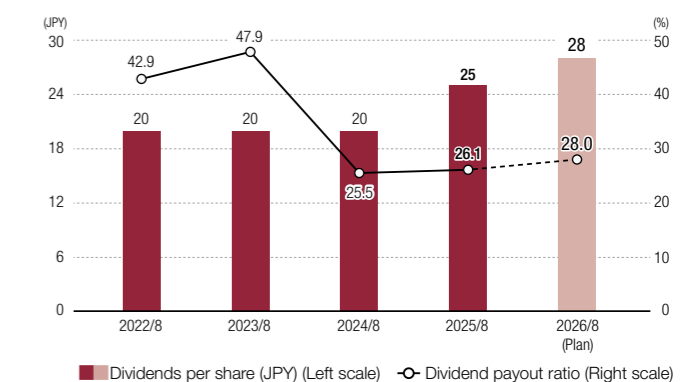
Cash Flow



Capital Investment and Depreciation



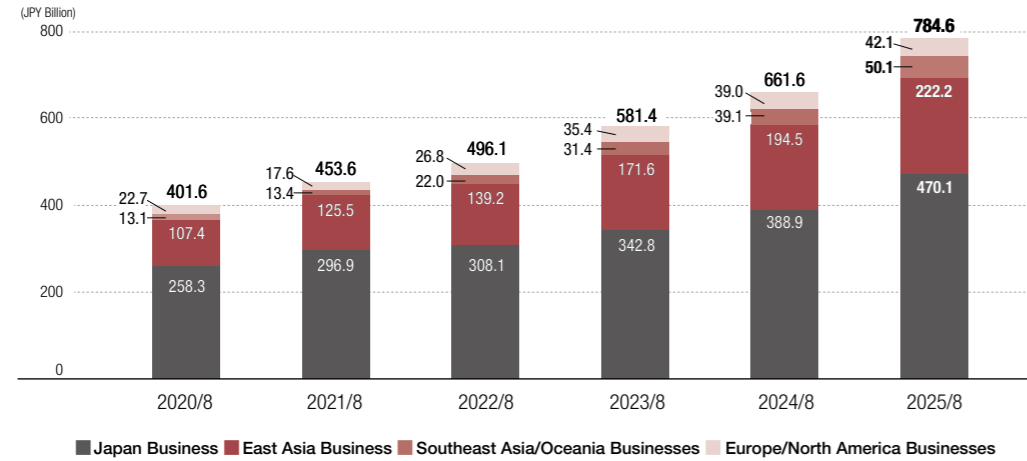
Dividends per Share and Dividend Payout Ratio



Overseas Business Strategy

We are accelerating growth as a global brand, with operations in a total of 28 regions across our businesses in Japan and overseas. Through product development and services aligned with each region's market characteristics and customer needs, we aim to ensure sustainable growth and increase corporate value. Overseas operations are an important driver for future growth, and will contribute to the Group's overall expansion in terms of both revenue and profit.

Operating Revenue by Segment



East Asia Business

The East Asia Business is second only to the Japan Business in terms of revenue and profit, making this a core area for driving the Company's overseas expansion.

FY2025/8

- Operating revenue: JPY **222.2** billion
- Segment profit: JPY **42.7** billion
- Number of stores: **557**

Note: The number of stores does not include Café&Meal MUJI and IDÉE.

Mainland China Business

Current Status

The Mainland China Business is the largest market overseas. As such, it is extremely important in leading revenue and profit growth. Since the launch of our first store in Shanghai in 2005, we have steadily expanded our store network over the last 20 years, with 422 stores as of the end of August 2025. The Mainland China market requires a flexible response at all times to address rapid changes in the economic environment and consumer trends. Even in such a business environment, we have maintained a consistent brand image, upheld our commitment to providing simple, high-quality products and sincere service and built strong relationships with customers. However, although the Mainland China Business is a market with a large population, the customer base remains small in comparison with the Japan Business. Responding to diversifying needs and expanding support from a wider range of customers are major themes for future growth.

Growth Strategy

Since 2019, we have been promoting localization of product development. In the Mainland China Business, we have established a structure for completing every business process from product planning to design, manufacture, sales and marketing locally. This enables us to respond swiftly and flexibly to the rapidly changing market, while optimizing quality and cost. Regarding sales channels, we will continue to open new stores, primarily in major cities. We will pursue highly profitable business operations by promoting a scrap-and-build strategy in which we close stores with low sales and shift to more high-profit stores. In addition, the Mainland China market has a high ratio of e-commerce sales even on a global basis. We will strengthen our business model that leverages both e-commerce and physical stores to further expand customer contact points. By strengthening our business base by both deepening localization and promoting a channel strategy, we will attract new customers and realize sustainable growth in the Mainland China Business.



Taiwan, Hong Kong and South Korea Businesses

Current Status

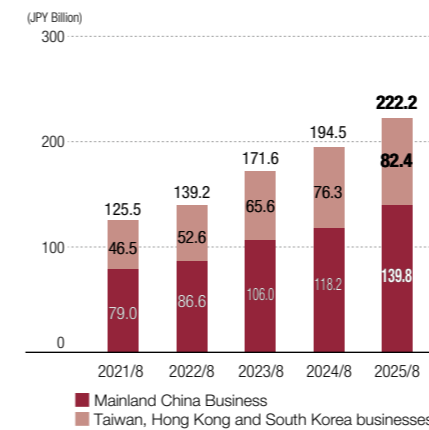
The Taiwan, Hong Kong and South Korea businesses are the next largest sources of stable revenue after the Mainland China Business, and they play an important role in the East Asia Business. As of the end of August 2025, we operate a total of 135 stores in these markets, and are steadily expanding our store network, mainly in urban areas. We have high brand recognition in these areas, and the market environment is receptive to our products and services. On the other hand, lifestyles and customer preferences vary by region, and there are also differences in regulations, requiring a carefully tailored approach suited to local characteristics. Although we have established brand recognition, the provision of products and services adapted to local needs remains insufficient. In comparison with the Japan Business, expanding the product lineup in certain categories such as food and household goods remains a challenge.

Growth Strategy

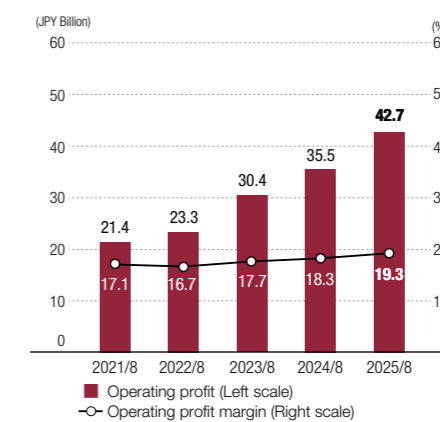
Strengthening product development and creating product lineups aligned with local needs will be important keys to our growth going forward. In the food category in particular, we are developing and rolling out products in collaboration with local factories to reflect the local cultures and preferences of each region. In the South Korea Business, these initiatives have progressed steadily, resulting in growth in both the customer base and earnings foundation. We will continue to open new stores to further expand the scale of operations. In addition, we are working to further grow our customer base by expanding contact points and strengthening relationships through the renewal of our proprietary app. Through these measures, we will respond flexibly to customer needs in each region and achieve stable, sustainable growth.

East Asia Business Five-Year Trend

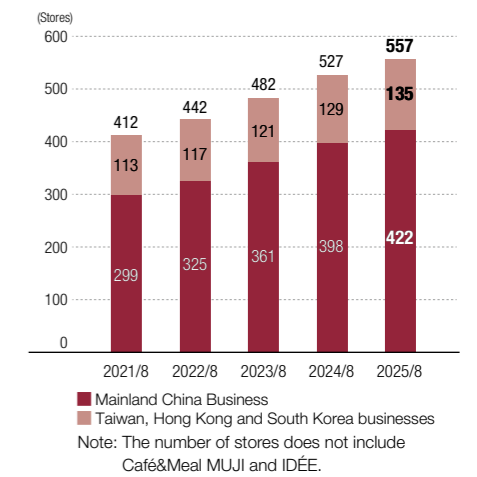
Operating Revenue



Operating Profit and Operating Profit Margin



Number of Stores



Global Rollout of Skincare Products

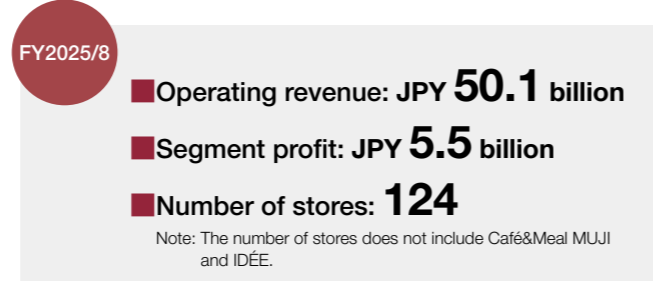
From FY2025/8, we began rolling out skincare products that have performed well in Japan, such as fermented booster serums and the renewed skincare series for sensitive skin, to our overseas businesses. As materials and textures familiar in Japan are not always accepted in other markets due to cultural and preferential differences, we carefully communicate product features. As such, we have seen a steady launch of skincare products. When rolling products out overseas, we emphasize communication that clearly explains the product features and our careful attention to quality. For example, in the Mainland China Business, we are enhancing detailed product explanations by local staff and information dissemination through social media and e-commerce channels. This is helping us establish the brand image and reliability that we have built in Japan. Furthermore, by accurately identifying changes in consumer needs and preferences, we can flexibly adjust our product line-up and promotional measures, leading to sales expansion.



Overseas Business Strategy

Southeast Asia/Oceania Businesses

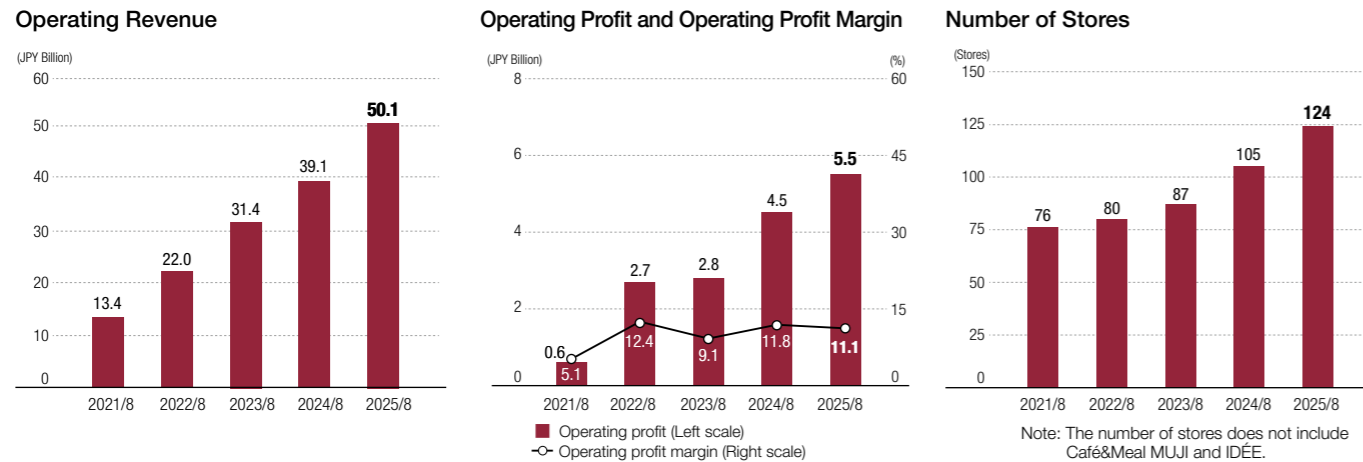
The Southeast Asia and Oceania businesses will serve as important markets for the next stage of growth, with significant room remaining for new store openings.



Current Status and Growth Strategy

The Southeast Asia and Oceania businesses are important markets for the next stage of growth within our overseas operations, and we operate 124 stores as of the end of August 2025. These regions have fast-growing economies with young people making up a large share of the population. In recent years, the middle class has increased rapidly, and quality of life has been improving. There are three main issues we face in expanding operations in the Southeast Asia Business going forward. First, as we accelerate new store openings, a stronger organizational structure will be required to respond to the rapid pace of expansion. We are proceeding with local recruiting, while dispatching employees with experience as store managers in Japan and providing training to local store managers and staff. We are working to accelerate organizational development by monitoring local stores through store managers assigned from Japan to establish a process from identifying issues to develop and implement improvement measures. Second, we need to further strengthen product development. Due to issues such as import regulations and religious and cultural differences, we are promoting the expansion of products tailored to local needs. Third, we need to further grow the customer base because we are still in the market development phase and brand recognition is not yet high. In doing so, consideration for a product assortment tailored to local lifestyles will be essential. In addition to our current products, we will expand such tailored items as well as more affordable products using a multifaceted approach that includes making cost improvements and collaborating with local manufacturers.

Southeast Asia/Oceania Businesses Five-Year Trend



Overseas Product Development and Production Management

MUJI GLOBAL SOURCING (MGS) is an important platform supporting the Group's global expansion. It is responsible for strengthening product development and production management systems on a global scale. As of the end of August 2025, MGS has operations in six locations in Mainland China, Vietnam, Cambodia, Indonesia and India. By establishing management sites in production areas, we can provide products aligned with local characteristics and market needs. In this way, we are improving both quality and cost competitiveness. By establishing our own production management structure, which was previously handled via trading companies, we are strengthening the recruitment of local talent. By enhancing partnerships with local factories and suppliers, we have built a stable supply chain system that supports locally tailored product development and allows us to respond quickly to market trends and regulatory changes in each region. In addition, MGS leverages its global procurement network to optimize raw material and production processes. In this way, we aim to contribute to the reduction of environmental impact and to ensure respect for human rights in the production process. Going forward, we will continue to coordinate regional growth strategies by strengthening our global procurement and production system centered on MGS. This will enable us to ensure a stable supply of high-quality, attractive products to customers around the world, enhance our brand value, and achieve sustainable growth.



MGS VIETNAM

Europe/North America Businesses

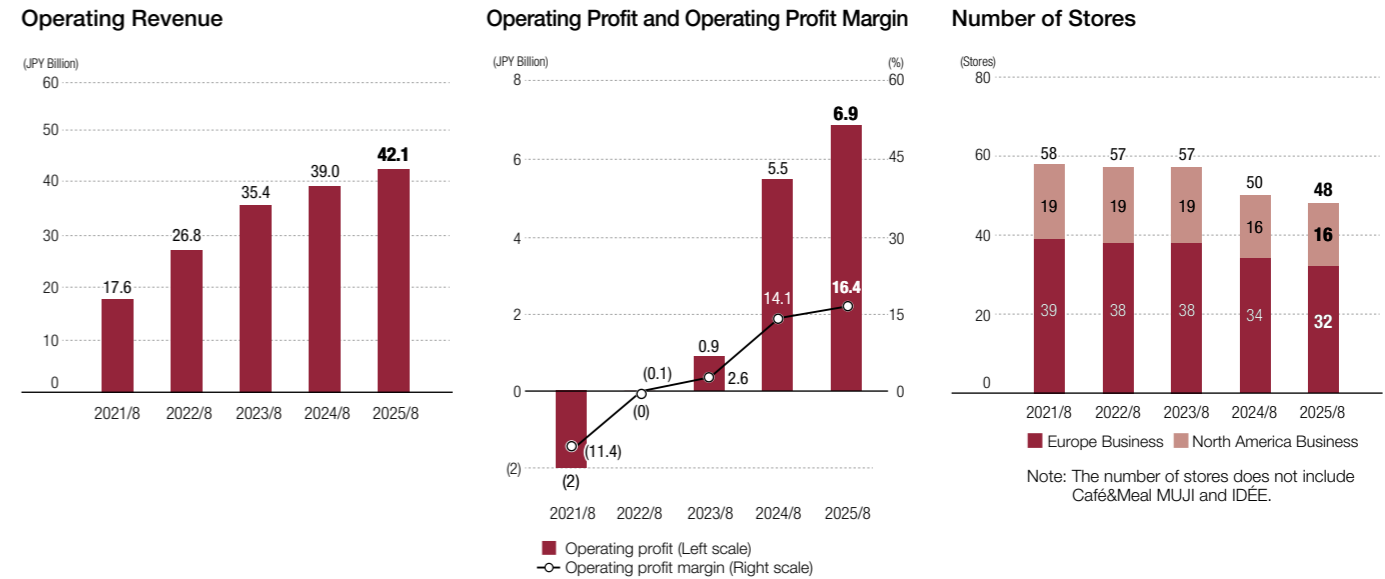
The Europe and North America businesses have large, untapped markets with potential for long-term growth. With the closure of unprofitable stores now largely completed, we are shifting our focus toward renewed growth and expansion.



Current Status and Growth Strategy

As of the end of August 2025, we operate 32 stores in the Europe Business and 16 stores in the North America Business. Since 2020, we have been closing unprofitable stores and concentrating resources on existing stores. As a result, the businesses returned to profitability in FY2023/8 after many years of continued losses. From FY2024/8, profitability has improved significantly, which has strengthened the business foundation. On the other hand, there are issues to be addressed, such as low brand recognition and an insufficient product lineup compared with operations in Asia. However, the untapped markets are extremely large, with great potential for future growth. Given these developments, we plan to resume new store openings in the North America Business from FY2026/8 and to open a flagship store in Paris in FY2027/8. This will establish a symbolic presence for the brand in Europe and North America and help enhance brand recognition. Going forward, we will work to achieve growth through the above initiatives, while enhancing the product lineup and bolstering marketing to promote better brand recognition.

Europe/North America Businesses Five-Year Trend



Fresh Start in the Europe and North America Businesses

In the Europe and North America businesses, we closed unprofitable stores and worked to improve the soundness of our business structure. To improve profitability, which has been a long-standing issue, we concentrated resources on existing stores and thoroughly streamlined operations. As a result, the businesses have returned to profitability over the past three years, and we have set the stage for a return to growth in the Europe and North America businesses. Based on this foundation, we will resume new store openings in the North America Business from FY2026/8. In the Europe Business, we plan to open a flagship store in Paris in FY2027/8. The flagship store will be our largest in Europe, with an area of 600-*tsubo* (approx. 1,980 m²). The store will firmly establish brand recognition by functioning as an embodiment of the MUJI worldview. Opening a flagship store in Paris, which has enormous economic and cultural influence, is a symbolic first step in the growth strategy for the Europe and North America businesses and will be the starting point for future business expansion.



Artist's rendering of flagship store in Paris

Evolution of Store Operations



We will achieve further growth driven by the establishment of standard store formats and promotion of independent store management.

Takuo Nagahara

Senior Executive Officer
In charge of Sales Division
President & Representative
Director, MUJI HOUSE Co., Ltd.

Establishment of the 600-*tsubo* Class Standard Format

With a wide assortment of apparel, food and household goods, Ryohin Keikaku supports the everyday lives of customers, and seeks to enrich society through its products. One of Ryohin Keikaku's distinguishing features is its comprehensive product lineup covering apparel, food and household goods, along with its extensive store network. Even in the retail market in Japan, with an aging population and declining birth rate, we believe we can enrich society as well as achieve growth by establishing and opening stores in formats that support daily life.

In the Japan Business, we have positioned the 600-*tsubo* (approx. 1,980 m²) class of stores as MUJI's standard format. We are establishing the 600-*tsubo* store as the standard, but we are also trying out various other formats based on factors such as local needs and site conditions—for example, 300-*tsubo* stores that offer a carefully selected range of products needed in daily life—while striving to provide product assortments and services that are useful to society.

Ryohin Keikaku's fundamental vision is to support the everyday lives of people, which we achieve by offering a broad lineup of the apparel, food and household goods they need. The standard format is based on our assessment that 600 *tsubo* is the optimal size at the

present time. Our stores are more than just spaces for displaying and selling merchandise. They are also places for sharing our values through our products and sales floors, and for deepening communication with customers. Taking these factors into account, we believe that 600 *tsubo* is the ideal size for demonstrating who we are and what kind of value we can provide through our products and sales floors.

Branching Out to Other Formats and Expanding Globally

Stores with a floor area of 600 *tsubo* now account for about 170 of our 623 stores in Japan. As mentioned earlier, this does not mean we will make all our stores 600 *tsubo* or more. We are expanding store openings with formats tailored to local characteristics, taking the needs of each region and the convenience of customers into consideration. For instance, we have MUJI 500 stores where people can quickly stop in and pick up daily necessities and consumables on their way home from work, as well as 600-*tsubo* stores where shoppers can take their time to browse and select from our wide assortment of products on their days off.

For example, in March 2025 we opened MUJI Aeon Mall Kashihara, which has a sales floor space of approximately 2,500 *tsubo* (approx. 8,260 m²), making it our largest store in the world. We are working to develop this store through engagement with producers and business operators throughout the Kinki region, primarily in Nara Prefecture, where the store is located, based on the concept of "nature, circularity and culture." Featuring a lineup that also includes ReMUJI, IDÉE and others, it expresses the MUJI worldview, with the whole store structured like a catalog offering all of our apparel, food and household goods. Since its opening, the store has received an excellent response and attracted many customers. As this illustrates, we have established various store formats by making hypotheses and then testing, with formats ranging from small stores that focus on daily necessities and consumables, to standard stores that have



everything needed for daily life, and large stores that embody everything that MUJI is.

Establishing a standard format in the Japan Business has led to the development of store formats in overseas markets, so we see it as an important step forward. Our policy is to make approximately 80% of the household goods products we sell in Japan available with the same specifications overseas. Based on that policy, we calculated that a store area of just under 500 *tsubo* (approx. 1,650 m²) was the space necessary to fully display our product lineup. Once the floor area of stores and the product mix become clear, we will be able to establish a logical framework for store operations. For store opening plans in overseas markets, as in Japan, we will make flexible adjustments based on the 600-*tsubo* format, taking conditions at the proposed site and the living needs of people in the region into account. I believe that the establishment of a standard format is having a positive ripple effect, as it leads to a clearer vision for stores and faster decision-making in overseas markets.

Redefining Community Centers

MUJI stores are locally rooted, and we prioritize interaction with customers who live in that particular area. We want our stores to present solutions to the needs of customers and the challenges they face in daily life through our products and sales spaces, and to be a place that customers will want to come back to again and again. That means facilitating communication between the store and its customers, and we think that is synonymous with serving as a local community center. This approach is required of all stores, regardless of scale—from MUJI 500 to the world's largest MUJI store.

From this perspective, we reviewed our previous definition of "a community center," which was ultimately aimed at "implementing concrete initiatives in collaboration with the local community," and redefined it as our "basic stance" common to all stores. Furthermore, we have clarified that working with local governments, business operators and others to advance local revitalization initiatives is a role our stores should play as hubs of local co-creation, mainly led by large-scale stores such as MUJI Aeon Mall Kashihara. The role that stores must fundamentally fulfill as community centers is distinct from specific initiatives for co-creation with communities. Both are important, and we will clearly define their respective roles and steadily advance each accordingly.

Basis of Independent Store Management and Our Desired Approach

MUJI stores are characterized by their great diversity, reflecting the different approaches required of each store, as well as differences in size and the resulting differences in product lineups. In addition, as the volume of purchases made through our online store increases, we must raise the operational efficiency of each store to provide maximum value to customers while considering selling, general and administrative expenses and labor costs.

Our stores are becoming more diverse, varying from MUJI 500 stores to standard 600-*tsubo* stores, and 2,500-*tsubo* stores, the largest size. Stores are also diversifying geographically, with locations ranging from the Ginza district of Tokyo to Tsushima Island in Nagasaki Prefecture. Naturally, the issues that arise at each store are different, and if the distance is great, headquarters staff may be slower to grasp the issues and current conditions.

That is why it is important to put in place various mechanisms that stores can use to operate autonomously at a high level.



Examples include a daily checklist of standards for use in making store inspections, a shift and work schedule format that enables each store to conduct appropriate staff planning, and a business planning system for sales, inventory and sales floors based on store characteristics. Rather than headquarters managing all stores uniformly, store staff implement independent store management, which means utilizing these mechanisms to operate the store with a manager's perspective. I believe this is how we can leverage our strengths.

Employees engage with local customers, and managers and staff work as one to operate and maximize the value of their store. We aim to do this in a way where our products and services make customers think, "I'm glad I shopped here. I want to come back again." Having on-site leaders responsible for decision making is the basis of independent store management.

Promoting the Concept of Independent Store Management Globally

We have another major reason for promoting independent store management. We want to become an organization where the whole team of employees, centered around the store manager, thinks of the customers and enjoys doing business, and to create an organizational foundation and culture in which every employee can grow and flourish. It is becoming difficult in the retail business to achieve results with a top-down approach. As such, we will create an organization in which people at our stores take the lead, and where problems in stores are discovered and resolved as a team. For that reason, leaders take the initiative to carefully listen to each staff member, and praise their achievements. It is important to foster a culture of mutual respect where employees can enjoy growing.

In addition to the development of locally rooted businesses, independent store management also includes aspects such as ensuring each employee can play an active role and developing an organizational culture where stores take center stage. I tell store staff to keep in mind that no profit can be made without a culture and mindset based on the premise of "Putting people at the heart of our business, and viewing profit as an outcome, not the goal." Furthermore, by ensuring that excellent proposals originating from stores are shared across all locations and that headquarters provides solid support for their implementation, we aim to become a company where stores take the lead.

The specifics of independent store management have been communicated in detail, and we are at the stage of instilling it as a common understanding throughout our global operations. As with the standard format of stores, establishment of standards for aligning perspectives in store operations can be considered a major step forward. We will continue to pursue further growth, with expansion of stores themselves and the promotion of independent store management as the two driving forces.

Approach to Product Development



We will provide the world with products that are useful in daily life and offer MUJI's distinctive value.

Asako Shimazaki
Senior Executive Officer
In charge of Household Merchandising Division

Ryohin Keikaku's Unique Product Development

Ryohin Keikaku's fundamental policy is to contribute to society and people through its products and services, and, broadly speaking, through its business in general. Our approach to developing products is to focus on how the products will solve a problem in society, while valuing the act of asking ourselves what significance Ryohin Keikaku has in that process, rather than simply making products because they will sell. When we take the perspective of customers' everyday lives, we thoroughly examine whether the product is essentially useful, whether its existence will make life better, and whether it is designed for that purpose.

Unlike the market-in/product-out approach that often comes up when talking about product development, our primary focus is on how customers' lives will improve as a result of the development of that product. An example of that way of thinking is the bamboo steamer basket. As a specific approach to product development, Ryohin Keikaku values drawing inspirations from the wisdom and culture of its predecessors, contrasting what was learned with modern challenges, and reworking and presenting the inherent "goodness" of the item itself. Steamed dishes made using bamboo steamers are actually quite simple and easy to prepare, offering the benefits of preserving the nutrients in ingredients while also making the table look more abundant. However, people had a preconception that it is difficult to cook foods in that way. We repositioned the steamer as an item that enriches modern life to eliminate that preconception. In the process, we also added improvements from the consumer's perspective—for example, to make *chawan-mushi* (a savory egg custard) easy to prepare, we gave the product the right size and depth to accommodate the container. This embodies the idea of taking the inherent strengths of an item, applying MUJI's unique perspective to address modern challenges, and delivering the resulting products to consumers. In this approach, the driving force is the developer's strong feeling that "this product is absolutely necessary

in today's world"—in other words, passion. We are proud that this passion is a strength of Ryohin Keikaku.

Another product that was embraced by customers after reframing its traditional strengths, like the steamer basket, is a fermented rice bran bed for pickling. There is a perception that making *nukazuke* (Japanese fermented pickles) is laborious and difficult, but by offering a solution that simplifies the process, we made preparing the *nukadoko* (fermented rice bran bed) more convenient and easier to incorporate into everyday life. While not directly related to product development, another example that illustrates MUJI's overall approach is a water project to reduce the use of disposable plastic bottles, based on the concept of "Let's Start with Water by Ourselves." In this project, water dispensers were installed in MUJI stores nationwide, and are available to anyone. This has led to real changes in behavior—for example, employees as well as customers no longer have to purchase drinks and are able to get plenty of water. Waste at stores has also decreased. There have also been cases where not only Ryohin Keikaku employees but also the employees of other tenants in the same building stopped in to refill their water bottles, thereby reducing plastic bottle waste in the whole building. This shows how one aspect of people's lives has actually changed.



Approach to Enhancing Product Appeal

As we expand store size and work to strengthen our store network, Ryohin Keikaku is significantly revising its product assortment. In opening stores throughout Japan, we have expanded our product lineup to create stores where the functional items needed in daily life are readily available—a shift from a limited number of items geared toward conventional urban stores. In categories where we may potentially compete with drugstores and general merchandise stores, we are creating sales spaces that feel a part of daily life in the local community. To that end, we are expanding our lineup of products with the values MUJI is known for, such as environmental responsibility and ease of use.

MUJI has a product range covering all of the basic necessities of life, but simply expanding the lineup is not enough to further strengthen our product appeal. Taking detergents and cleaning supplies as an example, customers tend to choose products by prioritizing practicality and functions such as dehumidification and deodorization. However, a change is taking place in that customers are also paying attention to the packaging and product materials themselves. We believe that identifying issues associated with these changes in product selection, and integrating solutions into design will ultimately lead to stronger product competitiveness. We are taking concrete measures to offer products that reduce the burden on the environment and daily life, including reusable dehumidifying agents, detergents that take ingredients and fragrance into consideration, and tissues and paper towels made from bamboo.

MUJI Skincare and Cosmetic Products as Daily Necessities

At Ryohin Keikaku, we also regard skincare products and cosmetics not as luxury items, but as products that support the basics of daily life. Skincare products are positioned as essential basic items that support healthy lifestyles for customers of all genders and ages. Therefore, we strive to maintain quality that ensures that customers can use those products with peace of mind, while keeping prices as stable as possible so that the products can be used for a long time. In addition to improving the ingredients and usability, we are proactively updating them in ways such as using 100% recycled plastic materials for bottle containers. Previously, bottles for skin toners were made from clear plastic, but now they have the slightly yellowish color of recycled plastic. The natural texture and coloration inherent to recycled plastic can be appreciated, and I think it matches well with the image of the cosmetics offered by MUJI.

Skincare and cosmetic products are used on the face and body, so they need to be of excellent quality. Moreover, they can be purchased together with household goods and everyday items, without the need for too much thought. This convenience and reliable



quality are reasons that MUJI skincare and cosmetic products are popular among customers regardless of age or gender.

Strengthening Fabrics While Maintaining a Comprehensive Product Lineup

The environment in which consumers live is changing significantly year by year due to factors such as a declining birthrate and aging population, an increase in single-person households, shifts in environmental awareness, rising prices and constraints on living space. The reality is that when people buy goods, factors such as size, quality and price increasingly cause them to hesitate and ask, "Is this really worth it?" Given these circumstances, the role that Ryohin Keikaku should fill is to present options that feel natural and are not a burden, and to show a way to achieve "a truthful and sustainable life for all" through those options.

To achieve that, we will continue to carry out category enhancements that generate excitement, while maintaining the comprehensive strength to offer diverse product categories. Specifically, I am referring to fabric items such as bedding, towels and slippers. This is an area where we can make the most of the functions and expression of natural materials, a strength of Ryohin Keikaku. For example, even with the same cotton, we can focus on breathability and texture on the skin during the relentless heat and humidity of summer, or use a brushed finish to make it soft and warm for winter. In addition, by changing the materials we use depending on the season, these products can uplift people's spirits and bring enjoyment to their life, much like cosmetics. By keenly detecting the changes that are happening from a consumer perspective, we will create products that stimulate interest in these categories.

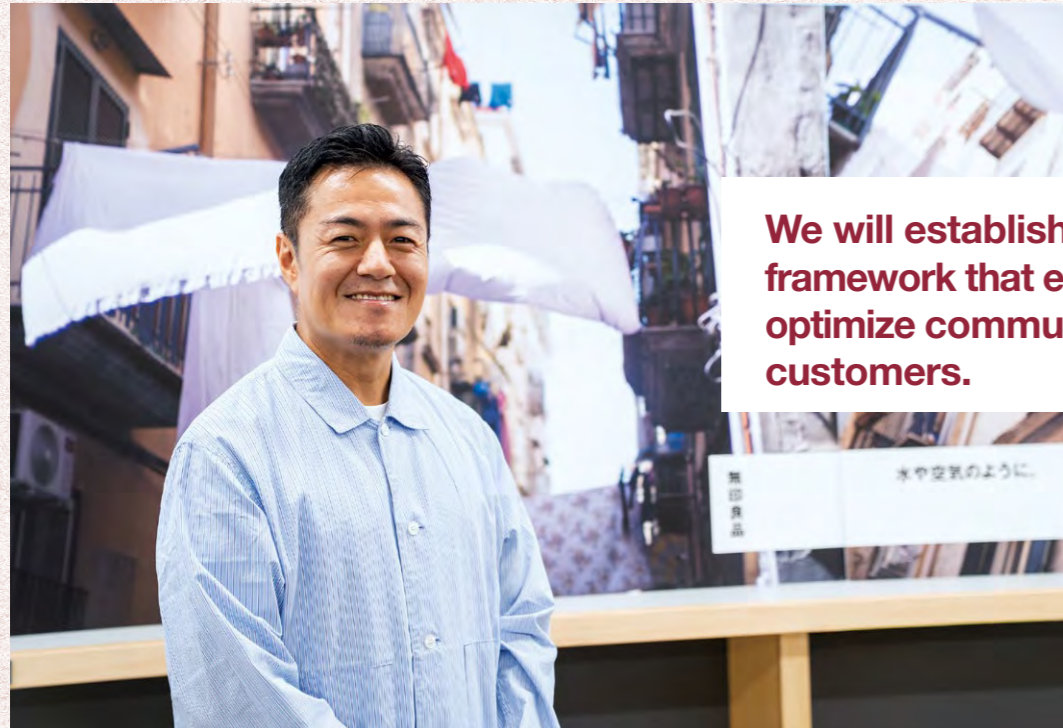
Global Standardization and Regional Adaptation: An 80/20 Balance

Most MUJI products offer versatility and essential functions, and are basic items that can fit naturally into anyone's life. Therefore, having a product lineup in which the same products can be sold worldwide is ideal. Each region has its own customs and regulations, but by conducting product development with the mindset of "Is this really a necessary function?" and "Is this something that anyone can use?" we expect that about 80% of the household goods products we develop in Japan can be sold globally.

Offering the same products worldwide leads to consistency in the elements that make up our brand, such as quality and design, and makes it easier to convey MUJI's core message. For the remaining 20% of products, we develop products by taking the circumstances of the regions where the products will be sold into account. For example, in rapidly growing markets such as Mainland China, customer needs change quickly, and we have to create products to respond to those changes. In addition, the functions that are absolutely essential differ according to the culture and lifestyle habits of the region. We are conducting product development with a global perspective while keeping this balance in mind.

The values of consumers are steadily moving in the direction of lifestyles that are more compact, lighter and free from unnecessary burden. Ryohin Keikaku will strive to deliver value through its product development to enable customers to achieve lives that are lighter and less troublesome. Making life better through our products and being environmentally and socially responsible are not conflicting goals. We will continue to deliver such products to achieve "a truthful and sustainable life" for people in Japan and overseas.

Strengthening Marketing



We will establish a marketing framework that enables us to optimize communication with customers.

Takahiro Miyazawa

Member of the Board of Directors and Senior Executive Officer
In charge of Marketing Division, EC & Digital Services Division, and IT Services Division

Ryohin Keikaku's Current Approach to Marketing

Ryohin Keikaku has taken the perspective of the everyday lives of people and focused on providing not just products, but items that are fundamentally useful in the lives of its customers. Because of that, we have not been very proactive in strategically implementing marketing. Today, though, the changing social environment is bringing about an abundance of lifestyle-related information, and product information from both physical stores and the digital world is intersecting in complicated ways. We started to feel that our traditional approach to communication with customers was no longer adequate.

The term "marketing" covers a wide range of activities, including production of promotional materials and video commercials as well as building communication channels through the web. In the past, we have sent out information from each store individually through means such as leaflets, blogs and other materials. Since the Second Founding in 2021, however, advertising has been conducted not only by stores, but by sales promotion, advertising and e-commerce and social media-related divisions, utilizing mass media and digital media. As each division was implementing different measures using different media, their messages sometimes did not mesh well with each other. In response, the Marketing Division was established in August 2025 to strategically and centrally manage and unify communications across various media, including mass media, digital media and social media. The core objective of integrating communications into a single division is to bring more consistency to communication with customers who are viewing the media. To that end, we will create a marketing framework that involves implementing the PDCA cycle based on a well-crafted plan. Currently, the overall form of this framework is nearly complete, and once we have formulated a marketing strategy divided into domestic and overseas operations, and are ready to put it into practice, we plan to test it for a year to verify its effectiveness.

In marketing, the main focus of the message we communicate is important. At Ryohin Keikaku, our policy has always been to sincerely convey our purpose without using flowery expressions or provocative language. Based on that approach, we strive to send messages to our customers around the world that are tailored to their region.

Rebuilding Communication with Customers around the MUJI app

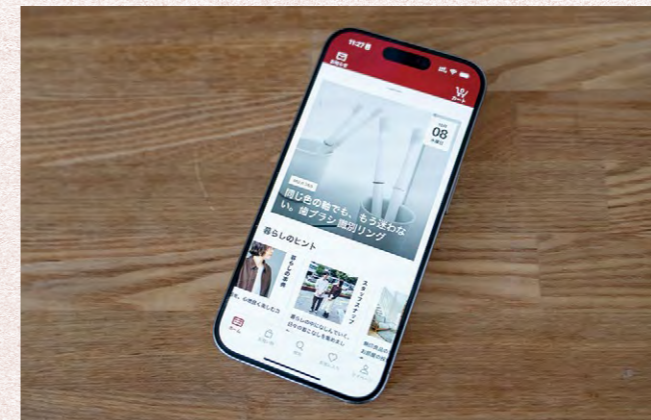
In September 2025, we overhauled the MUJI passport smartphone app and renamed it "MUJI app." The biggest change was that we discontinued the miles program and stage system, which were difficult for users to understand, and switched to a points program where one yen is one point. In addition to being easy to use just by accumulating points, the program allows customers to use their points to donate to initiatives that address various social issues. We call this the "MUJI GOOD PROGRAM." It gives customers the opportunity to do something "Good for you, good for someone else and good for society." In the future, we plan to increase the number of donation partners and expand the ways customers can use their points. We are also exploring the possibility of establishing two-way relationships in which donors later receive activity reports from recipients. We will enhance the functions of the app as we build it into a platform that better facilitates communication.

At the same time, just as with app updates, we are placing a strong focus on growing our owned media.¹ One issue we encountered with the former MUJI passport app was that quite a few users who downloaded the app during MUJI Week² rarely used it again after that. We want to provide solutions to everyday problems and convenience to people who downloaded the app for MUJI Week, and to deliver functions and information that will lead them to see it as "useful for making life better." We believed that by updating the app while growing our owned media, we would encourage regular app use and increase opportunities for casual

engagement. Online customers generally make so-called "intentional purchases," where they search for the item they want before making the purchase. However, MUJI has many customers who visit our stores casually without a specific purpose and enjoy discovering products. We are trying to provide an exciting experience that gives them that feeling of discovery and enjoyment online as well. Of course, it is also important to provide enough information about products so that people can also buy them intentionally.

We hope to maintain this balance and use the app to achieve both objectives. We want customers to use the app on a regular basis, make discoveries, and then look forward to going to the store. The app and our owned media will also play a key role in strengthening contact with customers as a result of this OMO³ model.

1. Media channels owned and managed by the Company
2. Exclusive offer period for MUJI members
3. An abbreviation used in Japan for "online merges with offline."



Background of "Like Water, Like Air" Campaign

Ryohin Keikaku produces corporate advertisements about once every two or three years. Unlike product advertising, corporate advertisements contain a message and visuals conveying our core thoughts and feelings and the value we want to deliver. A recent example is the series of cleaning-themed ads that ran during the COVID-19 pandemic with the phrase "Pleasant, somehow." Since that time, we have launched our Second Founding and are currently expanding our store network. We have also expanded our product and service lineups. With the growing recognition of the MUJI brand, we believed it was important to reaffirm what kind of presence we aspire to be in society. The phrase that emerged from was "Like water, like air." This expresses our wish not to be showy or special, but rather to be an essential part of daily life, something important that is simply there before you realize it.

The message was decided on over the course of more than a year based on ideas that came from various sources. It later became a major project that involved photographing laundry hanging on clotheslines in six regions, including Japan. The message "Like water, like air" was then superimposed on the visual images of clotheslines to express the MUJI concept and world view, and was displayed in stores around the world. Store staff engage with customers at the cash register with the advertisement displayed behind them. In conjunction with this project, we shared the thoughts and background that went into the ad with people inside the Company to promote their understanding and awareness.



Steadily Making Business Improvements through IT-Driven Support

IT-driven support is positioned as one of our eight drivers for growth, and the use of technology, including AI, is also essential in improving store operations and promoting OMO.

In a vertically integrated manufacturing and retail supply chain, a wide range of processes—from product planning and production to delivery and final sales through stores and online channels—are carried out end to end. As such, we must exercise a high level of control over these processes. To optimize the supply chain, it is important to establish a workflow in which each step is carefully planned and managed and then translated into concrete execution.

However, at Ryohin Keikaku, various plans have coexisted throughout the product lifecycle from product development to sale. This has led to numerous challenges, such as plans being changed only within certain divisions and information not being consistently shared across divisions. In the future, we will establish a framework in which all divisions share the same data and plans, and where everyone involved can respond with a shared awareness when changes are made. To do that, it is critical to maintain an accurate understanding of what is needed, as well as when, where and how much. Accordingly, we are able to improve speed and accuracy from planning to execution by revising plans and thinking about how to deal with parts that are not progressing as planned.

Our products span apparel, food and household goods, and while the global supply chain is a key strength, we view optimizing these diverse operations as a highly challenging undertaking due to the complexity of system design. At present, we are focusing on the development of a business system that will enable planning with global operations in mind, and expect to start seeing results in 2027. Through this IT-driven support, we will steadily move forward with business improvements and optimization.

Logistics-Driven SCM Transformation



We are transforming supply chain management with the goal of ensuring stable product supplies at minimal cost.

Yoshihito Furuta
Senior Executive Officer
In charge of Sustainable
Delivery Business Department
and Logistics Division

Optimizing the Supply Chain

Supply chain management (SCM) involves centrally managing and optimizing the series of processes from raw material procurement to delivery of the finished product to customers. It entails much more than simply streamlining logistics and production. It includes all processes starting with raw material procurement and overall logistics planning, and extends to orders placed by stores, production to fill those orders, through to delivery of the finished product. Currently, we are carrying out SCM reforms to optimize operations by visualizing all of these processes. Ryohin Keikaku is distinguished by the diverse range of products it handles, spanning apparel, food and household goods. By visualizing all of these supply chains, identifying challenges and developing solutions, we are striving to maintain stable product supplies at minimal cost.

In carrying out visualization, we focused on two main points. The first is getting an accurate grasp of the volume of products being shipped from factories based on production plans. As a result, we are able to increase the accuracy of transport planning in general, starting with the coordination of maritime transport. The second is managing inventory quantity, and, in particular, tracking inventory levels at distribution centers. By clarifying how much inventory each base should hold, we can properly design the necessary warehouse scale and operational structure. These two perspectives underpin the overall optimization in our SCM transformation, and will be the starting points in sales and inventory planning. At the same time, they will impact all processes, including order management, production management and inventory management. Therefore, we are working to promote quantification from both perspectives and identify the appropriate order quantity based on analysis of inventory levels.

Deciding on where production and processing of products will take place is another key element of supply chain optimization. For example, rather than procuring raw materials in India, shipping them to Vietnam for processing, and then shipping them to Japan, we

can reduce shipping costs by completing all operations from raw material procurement to processing in India. Furthermore, by placing orders semi-annually based on the sales plan, we are able to manage production and purchase costs, which also contributes to stabilization of the production system.

As a result of the steady accumulation of these initiatives on a product-by-product basis, we have made progress in identifying challenges across the supply chain, and have achieved a certain level of results for some household goods products, which we started promoting from the spring/summer 2023 season.

Truck Transport Reforms in Domestic Distribution

In domestic distribution operations, there are two major challenges related to truck transport. One is the rising cost of truck transport, which we are addressing by reducing the number of trucks we use. By cutting the number of deliveries from five times to three times a week, for example, we are able to reduce the number of trucks needed, which helps to limit overall distribution costs. We are also switching to other means of transport, including ferry transport.



The other challenge is responding to the “2024 problem” in logistics due to workstyle reforms. Ryohin Keikaku is developing a system that will lead to less overtime work for truck drivers, and has introduced a warehouse berth (a space used for cargo handling) and reservation system to minimize driver standby time. By reserving a berth in advance to coincide with the driver’s arrival time, loading and unloading of the cargo can be done immediately after arrival. This has yielded significant results, cutting standby time to 15 minutes, compared with the average of about 60 minutes before the introduction of the system. We have now completed the introduction of this system at all distribution centers, and plan to promote its use by trucking companies.

Making loading and unloading work more efficient is also important in improving logistics. Ryohin Keikaku has introduced a system in which we rent pallets to business partners, and products are shipped while still loaded on those pallets. This facilitates loading and unloading at the pallet level, saving labor in transshipment operations. As a result, the average operation time has been drastically reduced from 1.5 hours to approximately 45 minutes.



In addition, production partners (factories) to which we outsource product manufacturing previously delivered the products to Ryohin Keikaku’s distribution centers, but for some products, we are beginning to implement a system in which Ryohin Keikaku goes to pick up the products at the factory. Arranging the shipping ourselves has made time and cost management easier, and even led to cost savings.

Although the per-unit cost of truck transport is increasing, we expect that the new logistics systems we have created will lead to further reductions in overall delivery costs and in the ratio of logistics costs to net sales. Inventory optimization is especially important, and we will continue to focus on it because it can contribute to more efficient cash flow and more stable management.

Building Supply Chains Tailored to Each Region

In overseas operations, it is necessary to consider logistics from both the perspective of expanding store networks and production bases. Decisions on whether we pursue a strategy of emphasizing in-store sales or a strategy of growing e-commerce sales will differ by region, but the strategy we decide to use will have a major impact on how we build our logistics structure. With in-store sales, multiple products are grouped together and shipped all at once, but with e-commerce, products are packaged and delivered individually to each customer. These require much different logistics structures.

Ryohin Keikaku is currently aiming for further growth globally, and one challenge is building logistics structures adapted to the

actual conditions of our business operations in each region. We are promoting the optimization of distribution bases according to the land area, the number and location of stores, and market characteristics such as in-store sales or e-commerce sales. For example, in the Mainland China Business, we added another distribution base to accommodate growing demand. On the other hand, for our business in Canada, despite the nation’s vast land area, we have only one distribution base, and utilize a system where we ship individual products to customers from stores even for online orders. In addition, for our business in the United States, we are expanding operations and are preparing to build a new distribution base focused on e-commerce orders.

As these examples illustrate, we need to build optimal logistics structures to match the actual circumstances of each region, taking into account both in-store and online sales. As for specific measures, we are utilizing intermodal container shipping to save on shipping costs and reduce our carbon footprint. To boost transport efficiency, a system to bundle and ship products by region of manufacture is required. For that, we are establishing a Global Transfer Center (GTC), and are coordinating functions to consolidate and ship products from multiple factories. We have already achieved efficiency gains in Vietnam and Cambodia, and plan to deploy these functions in Indonesia, Bangladesh, India and other regions.

Complexity across Our Product Lines Is a Challenge in SCM Reform, and Presents Room for Growth

Ryohin Keikaku handles a diverse range of product categories spanning fundamental living needs (apparel, food and household goods). This is our unique business model and the source of our competitiveness. On the other hand, the diversity of product categories, one of our strengths, also contributes to complexity in our business. In apparel, for instance, demand fluctuates with the seasons, while demand for household goods is stable throughout the year. We have to achieve appropriate supply chains for these two aspects simultaneously. Dealing with this complexity is Ryohin Keikaku’s core challenge.

We are seeing results from optimization efforts even in household goods, which, as I mentioned, is one of our wide-ranging product categories. I am confident that continued promotion of these initiatives will yield even greater results. The challenges created by the wide range and complexity of our products also point to the potential improvements from the SCM reforms we are implementing. We will steadily progress toward achieving optimization in all of our product supply operations in 2030.

